

Jan 2013 Reserve Study Update

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5 Year Plan / Reserves Cash Flow

Montage at Mission Hills Homeowners' Association

	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	Annual Increase (% per Yr)
Potential Income						
Regular Assessments	\$250,368	\$254,635	\$266,093	\$278,067	\$290,580	5%
Special Assessments	\$0	\$0	\$0	\$0	\$0	
Interest & Other Income	\$2,050	\$1,881	\$1,665	\$1,613	\$2,064	
Total Income	\$252,418	\$256,516	\$267,758	\$279,680	\$292,644	
Projected Expenses						
Utilities	\$17,251	\$18,916	\$20,744	\$22,752	\$24,958	9%
Landscape Maintenance	\$39,100	\$31,523	\$33,014	\$34,579	\$36,221	5%
Entrance Fountains	\$1,680	\$1,714	\$1,748	\$1,783	\$1,818	2%
Hardscape Maintenance	\$17,729	\$18,464	\$19,233	\$20,037	\$20,878	3%
Administrative	\$150,564	\$157,243	\$163,106	\$170,421	\$179,384	4%
Operating Expenses	\$226,324	\$227,859	\$237,845	\$249,573	\$263,259	4%
Reserve Allocation	\$25,344	\$26,532	\$27,780	\$29,088	\$30,456	5%
Total Expenses	\$251,668	\$254,391	\$265,625	\$278,661	\$293,715	4%
Cash Flow (Reserves)						
Projected Reserves (start year)	\$90,004	\$56,931	\$46,609	\$46,442	\$45,843	n/a
Add: Special Assessments	\$0	\$0	\$0	\$0	\$0	n/a
Add: Reserve Contributions	\$25,344	\$26,532	\$27,780	\$29,088	\$30,456	5%
Add: Interest Income	\$731	\$515	\$463	\$914	\$1,122	n/a
Less: Expense Disbursements	(\$59,148)	(\$37,370)	(\$28,410)	(\$30,600)	(\$9,990)	n/a
Cash Flow I Year End Reserves	\$56,931	\$46,609	\$46,442	\$45,843	\$67,431	n/a
Fully Funded Reserves (Ideal Reserves)	\$256,774	\$247,760	\$259,093	\$280,055	\$301,566	n/a
Percent Funded (%)	22%	19%	18%	16%	22%	n/a
Per Unit Costs / 5 Year Plan						
Total Projected Expenses	\$251,668	\$254,391	\$265,625	\$278,661	\$293,715	4%
Less: Interest & other income	(\$2,050)	(\$1,881)	(\$1,665)	(\$1,613)	(\$2,064)	0%
Total Exp (Less: Other income)	\$249,618	\$252,510	\$263,960	\$277,048	\$291,651	n/a
Number of Units / Members	128	128	128	128	128	n/a
\$ Per Unit / Month	\$164	\$166	\$173	\$181	\$191	5%
\$ Per Unit (less interest & other income)	\$163	\$164	\$172	\$180	\$190	5%

Assumptions / Comments

Contingency Allowance (Reserves)	0% Selected allowance (% of the Replacement Costs per Exhibit B)
Inflation Allowance (Operating Expenses)	4% Average annual inflation rate (Exhibit B) for the next 5 years
Inflation Allowance Reserve Funding	5% Selected inflation rate used in Exhibit B (Reserve Allocation)
Inflation Allowance Reserve Expenses	2% Selected inflation rate used in Exhibit E (Reserves Expense)
Interest Rate (Reserve Funds)	1.00% Thru 2014, then 2.00%
Annual updates of this study are required in order to reconcile your actual costs with the projected expenses,	

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